

At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on Tuesday, August 3, 2004, the following members were present:

Bob Rowe, Chairman  
Thomas J. Schneider, Vice Chairman  
Matt Brainard, Commissioner  
Greg Jergeson, Commissioner  
Jay Stovall, Commissioner (via telephone)

APPEARANCE

Eric Eck

(282) In the matter of NorthWestern Corporation (NOR) - Docket No. D2004.7.118: On July 20, 2004, NOR filed an application seeking authority to consummate \$600,000,000 in exit financing and to issue up to 35.5 million shares of common stock. The Exit Financing Facilities will be secured by first mortgage bonds in the amount of (i) up to \$473 million issued under NOR's indenture covering its Montana public utility assets and (ii) \$127 issued under NOR's indenture covering the South Dakota public utility assets. The terms of NorthWestern's Reorganization Plan provide that debt owed to NorthWestern's senior unsecured creditors and subordinated unsecured bond holders totaling approximately \$1.2 billion will be canceled and exchanged for 35.5 million shares of common stock in reorganized NorthWestern. NOR's existing common stock will be canceled in accordance with the terms of the Reorganization Plan. A default order has been drafted.

Commissioner Schneider moved for approval subject to confirmation of the Plan of Reorganization. Commissioner Brainard seconded the motion, which passed unanimously.

APPEARANCE

Scott Fabel

(283) In the matter of Project Telephone Company - N2004.7.115: On July 15, 2004, Project Telephone Company filed replacement tariff sheets which take into account the Federal Communications Commission's (FCC) new qualifying guidelines for the Lifeline Telephone Assistance Program.

Commissioner Brainard moved to approve. Commissioner Stovall seconded the motion, which passed unanimously.

(284) In the matter of Qwest Communications - N2002.7.116: On July 16, 2004, Qwest filed tariff transmittal 04-09 Grandfathering residence packages and introduce new ones. The packages being grandfathered are: PREFERRED CHOICE (including CONVENIENCE PAK); Two-Line PREFERRED CHOICE (including CONVENIENCE PAK); Qwest Choice Home, Two-Line Qwest Choice Home; VALUE CHOICE (including PRIVACY PAK); and Two-Line

VALUECHOICE (including PRIVACYPAK). The new package Qwest is introducing are QWEST CHOICE Home, QWEST CHOICE Two-Line Home, QWEST CHOICE Home Plus, and QWEST CHOICE Two-Line Home Plus.

Commissioner Stovall moved to approve Qwest's packages. Commissioner Schneider seconded the motion, which passed unanimously.

(285) In the matter of CenturyTel - N2004.5.75: On May 21, 2004, CenturyTel filed tariff revision. In this filing CenturyTel is requesting that language be added that clarifies ISDN-PRI and other local services are offered on an end user basis only and not to be used to transmit interexchange traffic that does not either originate or terminate at the customer premises. AT&T filed an objection. After negotiation CenturyTel filed modifications to its original tariff filing.

Commissioner Brainard moved to approve. Commissioner Schneider seconded the motion, which passed unanimously.

APPEARANCE

Will Rosquist

(286) In the matter of PPM Energy - N2004.7.104: On July 6, 2004, PPM Energy submitted an application for a license to supply electricity to retail customers in the Montana service territories of NorthWestern Energy, Flathead Electric Cooperative and Glacier Electric Cooperative. The Company intends to solicit and serve large commercial and industrial customers with loads greater than 300 KW.

Commissioner Schneider moved to grant the license. Commissioner Brainard seconded the motion, which passed unanimously.

APPEARANCE

Wayne Budt, Administrator

Transportation & Centralized Services Division

(287) In the matter of the approval of Commission Minutes:

Commissioner Stovall moved to approve the Commission Minutes for the week of July 26, 2004. Commissioner Jergeson seconded the motion, which passed unanimously.

APPEARANCE

Monica Tranel

(288) In the matter of the Commission's discussion of Qwest Interconnection Agreement - Docket No. D2004.7.105:

Commissioner Jergeson moved to approve. Commissioner Schneider seconded the motion, which

passed unanimously.

#### APPEARANCE

Gary Duncan, Monica Tranel

(289) In the matter of the Commission's discussion of Multiple Carriers Local Number Portability: Docket No. D2004.3.39:

Commissioner Brainard moved to grant CenturyTel's motion to withdraw from the proceeding. Commissioner Jergeson seconded the motion, which passed unanimously.

Ronan's Objections to Discovery Requests -- Commissioner Rowe moved to sustain objections related to discovery requests No. 6, 8, 11, 15 and 18, and overrule objections pertaining to No. 8. Commissioner Stovall seconded the motion, which passed unanimously.

MTS Objections to Discovery Requests -- Commissioner Rowe moved to sustain objections to discovery requests No. 2, 8 and 9. Commissioner Brainard seconded the motion, which passed 3-2. Commissioners' Rowe, Brainard and Stovall voted aye. Commissioners' Schneider and Jergeson voted nay.

MTA Objections to Discovery Requests -- Commissioner Rowe moved to sustain objections to discovery requests No. 8, 9, 11 and 20, except that the responding party is instructed to provide the citation to the Ohio Commission standard as unduly burdensome. Commissioner Stovall seconded the motion, which passed 3-2. Commissioners' Rowe, Stovall and Brainard voted aye. Commissioners' Schneider and Jergeson voted nay.

There being no further business to come before the Commission the meeting was adjourned.

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BOB ROWE, Chairman

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THOMAS J. SCHNEIDER, Vice Chairman

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MATT BRAINARD, Commissioner

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GREG JERGESON, Commissioner

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JAY STOVALL, Commissioner

ATTEST:

Connie Jones  
Commission Secretary

(SEAL)